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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY SACRAMENTO

FAIR POLITICAL PRACTICES COMMISSION,)	Case No.
a state agency,)	
)	FPPC No.: 03/593
Plaintiff,)	
)	COMPLAINT FOR CIVIL
v.)	PENALTIES UNDER THE
)	POLITICAL REFORM ACT OF 1974,
CRUZ M. BUSTAMANTE, LIEUTENANT)	AS AMENDED
GOVERNOR BUSTAMANTE 2002)	
COMMITTEE, AND YES ON BUSTAMANTE,)	(Government Code §§ 91001(b) and
and DOES 1-20 inclusive,)	91004)
)	
Defendants.)	UNLIMITED CIVIL ACTION

Plaintiff FAIR POLITICAL PRACTICES COMMISSION, a state agency, alleges as follows:

1. Plaintiff brings this action in the public interest to enforce the provisions of the Political Reform Act of 1974. (Government Code sections 81000 through 91014.)

JURISDICTION AND VENUE

2. This court has original jurisdiction over the amount in controversy in this matter. As the causes of action in this matter took place in connection with the recall of the Governor in a statewide special election and involved campaign statements and reports required to be filed with the Office of the California Secretary of State, located in the County of Sacramento, the County of Sacramento is the proper venue for this action, pursuant to Code of Civil Procedure section 393.

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1 **PARTIES**

2 **PLAINTIFF FAIR POLITICAL PRACTICES COMMISSION**

3 3. Plaintiff Fair Political Practices Commission (the “Commission”) is a state agency
4 created by the Political Reform Act of 1974 (the “Act”). The Commission has primary responsibility for
5 the impartial, effective administration and implementation of the Act. (Gov. Code § 83111.) Pursuant
6 to Government Code section 91001, subdivision (b), the Commission is the civil prosecutor for matters
7 involving state committees and state election campaigns, and is authorized to maintain this action under
8 Government Code sections 91001, subdivision (b), 91004, 91005 and 91005.5.

9 **DEFENDANT CRUZ M. BUSTAMANTE**

10 4. Defendant Cruz M. Bustamante is, and was at all times relevant to this matter, the
11 Lieutenant Governor of the State of California.

12 5. Defendant Bustamante was, at all times relevant to this matter, a “candidate,” as defined
13 in Section 82007, for Governor of the State of California. He became a candidate for Governor in the
14 statewide special election held on October 7, 2003, on or about August 8, 2003, when he filed a
15 statement of intention with the Secretary of State, declaring his candidacy.

16 **DEFENDANT LIEUTENANT GOVERNOR BUSTAMANTE 2002 COMMITTEE**

17 6. Defendant Lieutenant Governor Bustamante 2002 Committee (the “Lieutenant Governor
18 2002 Committee”) was, at all times relevant to this matter, a recipient committee as defined in
19 Government Code section 82013, subdivision (a), and a controlled committee of Defendant Bustamante
20 as that term is defined in Section 82016.

21 7. Defendant Lieutenant Governor 2002 Committee was established on or about September
22 19, 2001, in conjunction with the re-election of Defendant Bustamante to the office of Lieutenant
23 Governor in the November 5, 2002 statewide election. It was a re-designation of the Lieutenant
24 Governor Bustamante Committee that Defendant Bustamante had formed on or about January 26, 1998,
25 in conjunction with his candidacy for Lieutenant Governor in the November 3, 1998 statewide election.

26 8. At all times relevant to this matter, Defendant Lieutenant Governor 2002 Committee’s
27 identification number, assigned by the Secretary of State, was 980194.

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1 9. At all times relevant to this matter, Defendant Bustamante was the treasurer of Defendant
2 Lieutenant Governor 2002 Committee.

3 10. At all times relevant to this matter, Defendant Lieutenant Governor 2002 Committee was
4 operated by a professional staff that included Richie Ross of Ross Communications, Inc., who provided
5 political consulting services; Lance Olson and Diane Fishburn of Olson, Hagel & Fishburn, LLP, who
6 provided legal and accounting services; Tom D'Agostino, who provided campaign consulting and
7 fundraising services; Lynn Montgomery, who provided office management services; and Mary Pat
8 Bonner of the Bonner Group, Inc., who provided fundraising services.

9 DEFENDANT YES ON BUSTAMANTE

10 11. Defendant Yes on Bustamante was, at all times relevant to this matter, a recipient
11 committee as defined in Government Code section 82013, subdivision (a), and a controlled committee of
12 Defendant Bustamante as that term is defined in Section 82016.

13 12. Defendant Yes on Bustamante was established on or about August 12, 2003, in
14 conjunction with the candidacy of Defendant Bustamante for election to the office of Governor in the
15 October 7, 2003 statewide election.

16 13. At all times relevant to this matter, Defendant Yes on Bustamante's identification
17 number, assigned by the Secretary of State, was 1257245.

18 14. At all times relevant to this matter, Defendant Bustamante was the treasurer of Defendant
19 Yes on Bustamante.

20 15. At all times relevant to this matter, Defendant Yes on Bustamante was operated by the
21 same professional staff that operated Defendant Lieutenant Governor 2002 Committee, as alleged in
22 paragraph ten above.

23 DEFENDANTS DOE 1 through DOE 20

24 16. Defendants DOE 1 through DOE 20, inclusive, are sued herein under fictitious names.
25 Their true names and capacities are unknown to Plaintiff. When said true names and capacities are
26 ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein.
27 Plaintiff is informed and believes, and thereon alleges, that each of the fictitiously named Defendants is
28 legally responsible in some manner for the violations of the Act alleged herein.

1 17. Hereinafter, Defendant Bustamante, Defendant Lieutenant Governor 2002 Committee,
2 Defendant Yes on Bustamante, and Defendants DOE 1 through DOE 20, inclusive, are referred to
3 collectively as the “Defendants.”

4 **CONTRIBUTION LIMITS AND CAMPAIGN REPORTING REQUIREMENTS**

5 18. Among the express findings and declarations of the Act is an expression of concern
6 about the increase in the costs of conducting election campaigns, and the disproportionate influence of
7 large contributions over governmental decisions. (Gov. Code § 81001, subdivision (c).) Government
8 Code section 81001, subdivision (d) declares that the influence of large campaign contributions has
9 increased, and that existing laws for the disclosure of campaign receipts and expenditures have been
10 inadequate.

11 19. To address these concerns about large contributions and the disproportionate influence
12 that is garnered by large contributors, Proposition 34, which was passed by the voters on November 7,
13 2000, added new campaign finance provisions to the Act, including campaign contribution limits.

14 20. An express purpose of the Act, as set forth in Government Code section 81002,
15 subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are
16 fully and truthfully disclosed to the public, so that voters may be better informed, and so that improper
17 practices may be inhibited.

18 21. In furtherance of this purpose of disclosure, the Act sets forth a comprehensive campaign
19 reporting system, designed to disclose to the public, in a timely manner, the election activities of
20 California political candidates and committees. (Gov. Code § 84200, et seq.)

21 **CIVIL LIABILITY**

22 22. Government Code section 91004 provides that any person who intentionally or
23 negligently violates any of the reporting requirements of the Act shall be liable in a civil action for an
24 amount up to the amount(s) not properly reported. Persons who violate Government Code section
25 84211 are liable in a civil action brought pursuant to Government Code section 91004.

26 23. Government Code section 91005.5 provides that any person who violates any provision
27 of the Act for which no specific civil penalty is provided, shall be liable in a civil action for an amount

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up to five thousand dollars (\$5,000) per violation. Persons who violate Government Code sections 85201, 85301, and 85302 are liable in a civil action pursuant to Government Code section 91005.5.

24. Pursuant to Government Code sections 81004, subdivision (b) and 84100, as implemented by title 2, California Code of Regulations, section 18427, subdivision (a), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Gov. Code § 91006.)

FIRST CAUSE OF ACTION

(FORTY-FOUR VIOLATIONS – FAILURE TO DEPOSIT ALL CONTRIBUTIONS INTO A DESIGNATED CAMPAIGN BANK ACCOUNT)

25. Plaintiff re-alleges, and incorporates herein, paragraphs one through twenty-four, as though set forth at length.

26. The Act specifies, at Government Code section 89510, subdivision (b), that all contributions deposited into a campaign bank account are “deemed to be held in trust” for expenses associated with the election of the candidate or for expenses related to holding office.

27. Pursuant to Government Code section 85201, subdivision (c), all contributions for a specific elective office shall be deposited into a campaign bank account established for that elective office, and pursuant to Government Code section 85201, subdivision (e), all expenditures for that specific elective office shall be made from the account.

28. Government Code section 85201, subdivision (a), as implemented by title 2, California Code of Regulations, section 18521, subdivision (a), requires a candidate to establish a separate campaign committee and a separate campaign bank account for each specific elective office sought.

29. Government Code section 85201, as implemented by title 2, California Code of Regulations, section 18524, subdivision (a), requires funds in a candidate's campaign bank account to only be spent for expenses related to the specific office sought, or for expenses related to holding that office.

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1 30. The Act further provides, at Government Code section 89510, subdivision (a), that a
2 candidate for elective state office may only accept contributions within the limits set forth in Chapter 5
3 of the Act, commencing with Government Code section 85100.

4 31. At all times relevant to this matter, the limit on a contribution that may be made to, and
5 accepted by, a candidate for Governor from any person or small contributor committee, other than a
6 political party committee, is twenty-one thousand two hundred dollars (\$21,200). (Gov. Code §§ 85301,
7 subd. (c), and 85302, subd. (c); 2 Cal. Code of Regs. § 18545, subd. (a)(3).)

8 32. Prior to the solicitation or receipt of any contribution or loan, an individual who intends
9 to be a candidate for elective state office is required, by Government Code section 85200, to file with the
10 Secretary of State an original statement, signed under penalty of perjury, of his or her intention to be a
11 candidate for a specific office.

12 33. On or about August 12, 2003, Defendant Yes on Bustamante qualified as a committee, by
13 receiving contributions in excess of one thousand dollars (\$1,000) from Defendant Lieutenant Governor
14 2002 Committee, in the form of a wire transfer, in the amount of approximately one hundred thousand
15 dollars (\$100,000).

16 Solicitation of Contributions for the Gubernatorial Campaign into the Lieutenant Governor 2002
17 Committee Bank Account

18 34. After Defendant Bustamante declared his candidacy for Governor, all fundraising
19 undertaken by Defendants was to promote Defendant Bustamante's candidacy for Governor, either
20 directly or indirectly.

21 35. Proposition 34's contribution limit of twenty-one thousand two hundred dollars (\$21,200)
22 per contributor applied in connection with the October 7, 2003 election, and to Defendant Yes on
23 Bustamante, the committee Defendant Bustamante established for his candidacy for Governor in that
24 election.

25 36. Defendant Bustamante had about a 60-day period, from the date that his candidacy for
26 Governor was announced, on or about August 8, 2003, to run a campaign against rivals who were
27 independently wealthy.

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1 37. In order to get a substantial amount of money from a small number of contributors in a
2 relatively short period of time, Defendants developed a plan to raise money for Defendant Bustamante's
3 gubernatorial campaign without being constricted by contribution limits.

4 38. The plan that was undertaken by Defendants was to raise and deposit money for
5 Defendant Bustamante's gubernatorial campaign into the designated campaign bank account of his re-
6 election committee, Defendant Lieutenant Governor 2002 Committee, report the money as contributions
7 to Defendant Lieutenant Governor 2002 Committee instead of Defendant Bustamante's gubernatorial
8 committee, Defendant Yes on Bustamante, and transfer the money from the campaign bank account of
9 Defendant Lieutenant Governor 2002 Committee to the campaign bank account of Defendant Yes on
10 Bustamante, for use in the gubernatorial campaign.

11 39. At all times relevant to this matter, contribution limits did not apply to contributions
12 made to Defendant Lieutenant Governor 2002 Committee for expenses related to seeking and holding
13 the office of Lieutenant Governor, in that the statewide election for the office of Lieutenant Governor
14 was held on November 5, 2002.

15 40. Defendant Bustamante publicly referred to Defendants' plan as "leveling the playing
16 field by those candidates who are multimillionaires."

17 41. All Defendants worked in concert in implementing the plan to circumvent the
18 contribution limits.

19 42. In carrying out their plan, Defendants solicited contributions from Indian tribes, labor
20 unions, and other supporters of Defendant Bustamante's candidacy for Governor, and gave instructions
21 that directed the contributions to Defendant Lieutenant Governor 2002 Committee or to Defendant
22 Lieutenant Governor 2002 Committee, 1700 L Street, Sacramento, California, the site of Defendant Yes
23 on Bustamante's fundraising office.

24 43. Through implementation of their plan, in a relatively short period of time, specifically on
25 or about and between August 8 and September 22, 2003, Defendants raised and deposited approximately
26 forty-four contributions, totaling approximately \$4 million, into the campaign bank account of
27 Defendant Lieutenant Governor 2002 Committee, the bulk of which, approximately \$3.8 million, they
28 transferred, on or about September 2 and 3, 2003, to the campaign bank account of Defendant Yes on

1 Bustamante, and disbursed, on or about September 2 and 3, 2003, to their media buyer for the purchase
2 of television advertising time for Defendant Bustamante's gubernatorial campaign.

3 Receipt and Deposit of Contributions for the Gubernatorial Campaign into the Lieutenant Governor
4 2002 Committee Bank Account, in violation of Government Code section 85201, subdivision (c).

5 44. On or about August 8, 2003, Pat Sullivan made a two hundred dollar (\$200) contribution
6 to support Defendant Bustamante's candidacy for Governor. Defendants received the \$200 contribution
7 on or about August 11, 2003, and subsequently deposited the contribution into the campaign bank
8 account of Defendant Lieutenant Governor 2002 Committee on or about August 12, 2003, in violation
9 of Government Code section 85201, subdivision (c).

10 45. On or about August 8, 2003, Ricardo G. Martinez made a five hundred dollar (\$500)
11 contribution to support Defendant Bustamante's candidacy for Governor. Defendants received the \$500
12 contribution on or about August 11, 2003, and subsequently deposited the contribution into the
13 campaign bank account of Defendant Lieutenant Governor 2002 Committee on or about August 12,
14 2003, in violation of Government Code section 85201, subdivision (c).

15 46. On or about August 10, 2003, Robert F. Perez, Attorney at Law, made a one thousand
16 dollar (\$1,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
17 received the \$1,000 contribution on or about August 11, 2003, and subsequently deposited the
18 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
19 about August 12, 2003, in violation of Government Code section 85201, subdivision (c).

20 47. On or about August 11, 2003, the California Union of Safety Employees Independent
21 Expenditure Committee made a one thousand two hundred fifty dollar (\$1,250) contribution to support
22 Defendant Bustamante's candidacy for Governor. Defendants received the \$1,250 contribution on or
23 about August 11, 2003, and subsequently deposited the contribution into the campaign bank account of
24 Defendant Lieutenant Governor 2002 Committee on or about August 12, 2003, in violation of
25 Government Code section 85201, subdivision (c).

26 48. On or about August 21, 2003, the Sycuan Band of the Kumeyaay Nation made a three
27 hundred thousand dollar (\$300,000) contribution to support Defendant Bustamante's candidacy for
28 Governor. Defendants received the \$300,000 contribution on or about August 22, 2003, and

1 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
2 Governor 2002 Committee on or about August 23, 2003, in violation of Government Code section
3 85201, subdivision (c).

4 49. On or about August 21, 2003, the Peace Officers Research Association of California PAC
5 Small Contributor Committee made a five thousand dollar (\$5,000) contribution to support Defendant
6 Bustamante's candidacy for Governor. Defendants received the \$5,000 contribution on or about August
7 24, 2003, and subsequently deposited the contribution into the campaign bank account of Defendant
8 Lieutenant Governor 2002 Committee on or about August 25, 2003, in violation of Government Code
9 section 85201, subdivision (c).

10 50. On or about August 27, 2003, the Northern California Carpenters Regional Council Small
11 Contributor Committee made a one hundred thousand dollar (\$100,000) contribution to support
12 Defendant Bustamante's candidacy for Governor. Defendants received the \$100,000 contribution on or
13 about August 27, 2003, and subsequently deposited the contribution into the campaign bank account of
14 Defendant Lieutenant Governor 2002 Committee on or about August 27, 2003, in violation of
15 Government Code section 85201, subdivision (c).

16 51. On or about August 26, 2003, the American Federation of State, County and Municipal
17 Employees made a two hundred thousand dollar (\$200,000) contribution to support Defendant
18 Bustamante's candidacy for Governor. Defendants received the \$200,000 contribution on or about
19 August 27, 2003, and subsequently deposited the contribution into the campaign bank account of
20 Defendant Lieutenant Governor 2002 Committee on or about August 28, 2003, in violation of
21 Government Code section 85201, subdivision (c).

22 52. On or about August 26, 2003, the Allstate Insurance Company PAC made a one thousand
23 dollar (\$1,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
24 received the \$1,000 contribution on or about August 29, 2003, and subsequently deposited the
25 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
26 about August 30, 2003, in violation of Government Code section 85201, subdivision (c).

27 53. On or about August 27, 2003, the Pechanga Band of Mission Indians made a five
28 hundred thousand dollar (\$500,000) contribution to support Defendant Bustamante's candidacy for

1 Governor. Defendants received the \$500,000 contribution on or about August 28, 2003, and
2 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
3 Governor 2002 Committee on or about August 29, 2003, in violation of Government Code section
4 85201, subdivision (c).

5 54. On or about August 29, 2003, the Operating Engineers Local 3 District 01, 02, 03 PAC
6 made a one thousand nine hundred dollar (\$1,900) contribution to support Defendant Bustamante's
7 candidacy for Governor. Defendants received the \$1,900 contribution on or about September 2, 2003,
8 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
9 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
10 85201, subdivision (c).

11 55. On or about August 29, 2003, the Operating Engineers Local 3 District 04 PAC made a
12 three thousand eight hundred fifty dollar (\$3,850) contribution to support Defendant Bustamante's
13 candidacy for Governor. Defendants received the \$3,850 contribution on or about September 2, 2003,
14 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
15 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
16 85201, subdivision (c).

17 56. On or about August 29, 2003, the Operating Engineers Local 3 District 10 PAC made a
18 five thousand dollar (\$5,000) contribution to support Defendant Bustamante's candidacy for Governor.
19 Defendants received the \$5,000 contribution on or about September 2, 2003, and subsequently deposited
20 the contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on
21 or about September 3, 2003, in violation of Government Code section 85201, subdivision (c).

22 57. On or about August 29, 2003, the Operating Engineers Local 3 District 20 PAC made a
23 twenty-one thousand two hundred dollar (\$21,200) contribution to support Defendant Bustamante's
24 candidacy for Governor. Defendants received the \$21,200 contribution on or about September 2, 2003,
25 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
26 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
27 85201, subdivision (c).

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1 58. On or about August 29, 2003, the Operating Engineers Local 3 District 30 PAC made a
2 twenty-one thousand two hundred dollar (\$21,200) contribution to support Defendant Bustamante's
3 candidacy for Governor. Defendants received the \$21,200 contribution on or about September 2, 2003,
4 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
5 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
6 85201, subdivision (c).

7 59. On or about August 29, 2003, the Operating Engineers Local 3 District 40 PAC made a
8 nine hundred dollar (\$900) contribution to support Defendant Bustamante's candidacy for Governor.
9 Defendants received the \$900 contribution on or about September 2, 2003, and subsequently deposited
10 the contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on
11 or about September 3, 2003, in violation of Government Code section 85201, subdivision (c).

12 60. On or about August 29, 2003, the Operating Engineers Local 3 District 50 PAC made a
13 eleven thousand two hundred fifty dollar (\$11,250) contribution to support Defendant Bustamante's
14 candidacy for Governor. Defendants received the \$11,250 contribution on or about September 2, 2003,
15 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
16 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
17 85201, subdivision (c).

18 61. On or about August 29, 2003, the Operating Engineers Local 3 District 60 PAC made a
19 twelve thousand five hundred dollar (\$12,500) contribution to support Defendant Bustamante's
20 candidacy for Governor. Defendants received the \$12,500 contribution on or about September 2, 2003,
21 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
22 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
23 85201, subdivision (c).

24 62. On or about August 29, 2003, the Operating Engineers Local 3 District 70 PAC made a
25 nine thousand dollar (\$9,000) contribution to support Defendant Bustamante's candidacy for Governor.
26 Defendants received the \$9,000 contribution on or about September 2, 2003, and subsequently deposited
27 the contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on
28 or about September 3, 2003, in violation of Government Code section 85201, subdivision (c).

1 63. On or about August 29, 2003, the Operating Engineers Local 3 District 80 PAC made a
2 nine thousand dollar (\$9,000) contribution to support Defendant Bustamante's candidacy for Governor.
3 Defendants received the \$9,000 contribution on or about September 2, 2003, and subsequently deposited
4 the contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on
5 or about September 3, 2003, in violation of Government Code section 85201, subdivision (c).

6 64. On or about August 29, 2003, the Operating Engineers Local 3 District 90 PAC made a
7 eleven thousand five hundred dollar (\$11,500) contribution to support Defendant Bustamante's
8 candidacy for Governor. Defendants received the \$11,500 contribution on or about September 2, 2003,
9 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
10 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
11 85201, subdivision (c).

12 65. On or about September 1, 2003, Daniel S. Mitrovich made a three thousand five hundred
13 dollar (\$3,500) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
14 received the \$3,500 contribution on or about September 4, 2003, and subsequently deposited the
15 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
16 about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

17 66. On or about September 2, 2003, the Viejas Tribal Government made a one million five
18 hundred thousand dollar (\$1,500,000) contribution to support Defendant Bustamante's candidacy for
19 Governor. Defendants received the \$1,500,000 on or about September 3, 2003, and subsequently
20 deposited the contribution into the campaign bank account of Defendant Lieutenant Governor 2002
21 Committee on or about September 3, 2003, in violation of Government Code section 85201,
22 subdivision (c).

23 67. On or about September 2, 2003, the Southwest Regional Council of Carpenters made a
24 one hundred thousand dollar (\$100,000) contribution to support Defendant Bustamante's candidacy for
25 Governor. Defendants received the \$100,000 contribution on or about September 5, 2003, and
26 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
27 Governor 2002 Committee on or about September 5, 2003, in violation of Government Code section
28 85201, subdivision (c).

1 68. On or about September 2, 2003, the Law Offices of Carl E. Douglas made a two thousand
2 five hundred dollar (\$2,500) contribution to support Defendant Bustamante's candidacy for Governor.
3 Defendants received the \$2,500 contribution on or about September 5, 2003, and subsequently deposited
4 the contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on
5 or about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

6 69. On or about September 3, 2003, the Professional Engineers in California Government
7 made a five hundred thousand dollar (\$500,000) contribution to support Defendant Bustamante's
8 candidacy for Governor. Defendants received the \$500,000 contribution on or about September 3, 2003,
9 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
10 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
11 85201, subdivision (c).

12 70. On or about September 3, 2003, the Professional Engineers in California Government
13 made a two hundred thousand dollar (\$200,000) contribution to support Defendant Bustamante's
14 candidacy for Governor. Defendants received the \$200,000 contribution on or about September 3, 2003,
15 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
16 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
17 85201, subdivision (c).

18 71. On or about September 3, 2003, the Sycuan Band of the Kumeyaay Nation made a three
19 hundred thousand dollar (\$300,000) contribution to support Defendant Bustamante's candidacy for
20 Governor. Defendants received the \$300,000 contribution on or about September 3, 2003, and
21 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
22 Governor 2002 Committee on or about September 3, 2003, in violation of Government Code section
23 85201, subdivision (c).

24 72. On or about September 3, 2003, Smart Solutions, Inc. made a thirty thousand dollar
25 (\$30,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
26 received the \$30,000 contribution on or about September 4, 2003, and subsequently deposited the
27 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
28 about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

1 73. On or about September 3, 2003, Manny M. Aragon, Attorney at Law, made a thirty
2 thousand dollar (\$30,000) contribution to support Defendant Bustamante's candidacy for Governor.
3 Defendants received the \$30,000 contribution on or about September 5, 2003, and subsequently
4 deposited the contribution into the campaign bank account of Defendant Lieutenant Governor 2002
5 Committee on or about September 5, 2003, in violation of Government Code section 85201,
6 subdivision (c).

7 74. On or about September 3, 2003, Manny M. Aragon, Attorney at Law, acted as an
8 intermediary for a five hundred dollar (\$500) contribution made by Dr. Tobias Duran to support
9 Defendant Bustamante's candidacy for Governor. Defendants received the \$500 contribution on or
10 about September 5, 2003, and subsequently deposited the contribution into the campaign bank account
11 of Defendant Lieutenant Governor 2002 Committee on or about September 5, 2003, in violation of
12 Government Code section 85201, subdivision (c).

13 75. On or about September 3, 2003, Manny M. Aragon, Attorney at Law, acted as an
14 intermediary for a one hundred dollar (\$100) contribution made by Frank Martinez to support Defendant
15 Bustamante's candidacy for Governor. Defendants received the \$100 contribution on or about
16 September 5, 2003, and subsequently deposited the contribution into the campaign bank account of
17 Defendant Lieutenant Governor 2002 Committee on or about September 5, 2003, in violation of
18 Government Code section 85201, subdivision (c).

19 76. On or about September 3, 2003, Parra & Gagnon Consulting made a thirty thousand
20 dollar (\$30,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
21 received the \$30,000 contribution on or about September 5, 2003, and subsequently deposited the
22 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
23 about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

24 77. On or about September 3, 2003, Public/Private Projects, Inc. made a one thousand dollar
25 (\$1,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants received
26 the \$1,000 contribution on or about September 5, 2003, and subsequently deposited the contribution into
27 the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or about September
28 5, 2003, in violation of Government Code section 85201, subdivision (c).

1 78. On or about September 4, 2003, Brian S. Kabateck, A Professional Law Corporation,
2 made a ten thousand dollar (\$10,000) contribution to support Defendant Bustamante's candidacy for
3 Governor. Defendants received the \$10,000 contribution on or about September 4, 2003, and
4 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
5 Governor 2002 Committee on or about September 5, 2003, in violation of Government Code section
6 85201, subdivision (c).

7 79. On or about September 4, 2003, Patrick McNicholas made a twelve thousand five
8 hundred dollar (\$12,500) contribution to support Defendant Bustamante's candidacy for Governor.
9 Defendants received the \$12,500 contribution on or about September 5, 2003, and subsequently
10 deposited the contribution into the campaign bank account of Defendant Lieutenant Governor 2002
11 Committee on or about September 5, 2003, in violation of Government Code section 85201,
12 subdivision (c).

13 80. On or about September 4, 2003, Hermez Moreno made a one thousand five hundred
14 dollar (\$1,500) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
15 received the \$1,500 contribution on or about September 5, 2003, and subsequently deposited the
16 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
17 about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

18 81. On or about September 4, 2003, Southwest Law Center, A Professional Corporation,
19 made a one thousand five hundred dollar (\$1,500) contribution to support Defendant Bustamante's
20 candidacy for Governor. Defendants received the \$1,500 contribution on or about September 5, 2003,
21 and subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
22 Governor 2002 Committee on or about September 5, 2003, in violation of Government Code section
23 85201, subdivision (c).

24 82. On or about September 4, 2003, Taylor and Ring, LLP made a ten thousand dollar
25 (\$10,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
26 received the \$10,000 contribution on or about September 5, 2003, and subsequently deposited the
27 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
28 about September 5, 2003, in violation of Government Code section 85201, subdivision (c).

1 83. On or about September 4, 2003, Verboon, Milstein & Peter, LLP made a twenty-one
2 thousand two hundred dollar (\$21,200) contribution to support Defendant Bustamante's candidacy for
3 Governor. Defendants received the \$21,200 contribution on or about September 5, 2003, and
4 subsequently deposited the contribution into the campaign bank account of Defendant Lieutenant
5 Governor 2002 Committee on or about September 5, 2003, in violation of Government Code section
6 85201, subdivision (c).

7 84. On or about September 9, 2003, the California State Council of Laborers PAC Small
8 Contributor Committee made an eighty thousand dollar (\$80,000) contribution to support Defendant
9 Bustamante's candidacy for Governor. Defendants received the \$80,000 contribution on or about
10 September 9, 2003, and subsequently deposited the contribution into the campaign bank account of
11 Defendant Lieutenant Governor 2002 Committee on or about September 9, 2003, in violation of
12 Government Code section 85201, subdivision (c).

13 85. On or about September 12, 2003, Robert N. Klein II made a twenty thousand dollar
14 (\$20,000) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
15 received the \$20,000 contribution on or about September 15, 2003, and subsequently deposited the
16 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
17 about September 15, 2003, in violation of Government Code section 85201, subdivision (c).

18 86. On or about September 12, 2003, Robert N. Klein II made a one thousand two hundred
19 dollar (\$1,200) contribution to support Defendant Bustamante's candidacy for Governor. Defendants
20 received the \$1,200 contribution on or about September 15, 2003, and subsequently deposited the
21 contribution into the campaign bank account of Defendant Lieutenant Governor 2002 Committee on or
22 about September 15, 2003, in violation of Government Code section 85201, subdivision (c).

23 87. On or about September 12, 2003, the Gonzales Construction Company made a five
24 thousand dollar (\$5,000) contribution to support Defendant Bustamante's candidacy for Governor.
25 Defendants received the \$5,000 contribution on or about September 16, 2003, and subsequently
26 deposited the contribution into the campaign bank account of Defendant Lieutenant Governor 2002
27 Committee on or about September 17, 2003, in violation of Government Code section 85201,
28 subdivision (c).

1 88. On or about September 22, 2003, Defendants did not deposit any further contributions
2 into the campaign bank account of Defendant Lieutenant Governor 2002 Committee for Defendant
3 Bustamante's gubernatorial campaign.

4 89. By intentionally or negligently failing to deposit all contributions for Defendant
5 Bustamante's gubernatorial campaign into the designated campaign bank account of Defendant Yes on
6 Bustamante, Defendants committed forty-four violations of Government Code section 85201,
7 subdivision (c).

8 **SECOND CAUSE OF ACTION**

9 (SEVEN VIOLATIONS—FAILURE TO MAKE ALL EXPENDITURES
10 FROM THE DESIGNATED CAMPAIGN BANK ACCOUNT)

11 90. Plaintiff re-alleges, and incorporates herein, paragraphs one through eighty-nine, as
12 though set forth at length.

13 91. In the course of implementing their plan to circumvent the contribution limits,
14 Defendants spent money from the campaign bank account of Defendant Lieutenant Governor 2002
15 Committee to support Defendant Bustamante's candidacy for Governor.

16 Making Expenditures for the Gubernatorial Campaign from the Lieutenant Governor 2002 Committee
17 Bank Account, in violation of Government Code section 85201, subdivision (e).

18 92. On or about September 4, 2003, Defendants paid the Bonner Group, Inc. for fundraising
19 services provided for Defendant Bustamante's gubernatorial campaign, by issuing a check to the Bonner
20 Group, Inc, in the amount of approximately \$20,320.24, from the campaign bank account of Defendant
21 Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

22 93. On or about September 10, 2003, Defendants paid Leo Gallegos for fundraising services
23 provided for Defendant Bustamante's gubernatorial campaign, by issuing a check to Leo Gallegos, in
24 the amount of approximately \$1,500, from the campaign bank account of Defendant Lieutenant
25 Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

26 94. On or about September 12, 2003, Defendants paid the Bonner Group, Inc. for fundraising
27 services provided for Defendant Bustamante's gubernatorial campaign, by issuing a check to the Bonner
28 Group, Inc., in the amount of approximately \$154,483.50, from the campaign bank account of

Defendant Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e). On or about September 16, 2003, the payment was reversed.

95. On or about September 15, 2003, Defendants paid Olson, Hagel & Fishburn, LLP for legal and accounting services performed for Defendant Bustamante's gubernatorial campaign, by issuing a check to Olson, Hagel & Fishburn, LLP in the amount of approximately \$14,594.55, from the campaign bank account of Defendant Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

96. On or about September 19, 2003, Defendants paid the Bonner Group, Inc. for fundraising services provided for Defendant Bustamante's gubernatorial campaign, by issuing a check to the Bonner Group, Inc., in the amount of approximately \$100,000, from the campaign bank account of Defendant Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

97. On or about September 19, 2003, Defendants paid Diana Rogalle for fundraising services provided for Defendant Bustamante's gubernatorial campaign, by issuing a check to Diana Rogalle, in the amount of approximately \$4,500, from the campaign bank account of Defendant Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

98. On or about September 19, 2003, Defendants paid a fundraising expense incurred primarily for Defendant Bustamante's gubernatorial campaign, by issuing a check to Dynamic Limousine, in the amount of approximately \$1,482, from the campaign bank account of Defendant Lieutenant Governor 2002 Committee, in violation of Government Code section 85201, subdivision (e).

99. On or about September 22, 2003, Defendants did not expend any further funds from the campaign bank account of Defendant Lieutenant Governor 2002 Committee for Defendant Bustamante's gubernatorial campaign.

100. By intentionally or negligently failing to make all expenditures for Defendant Bustamante's gubernatorial campaign from the designated campaign bank account of Defendant Yes on Bustamante, Defendants committed seven violations of Government Code section 85201, subdivision (e).

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1 **THIRD CAUSE OF ACTION**

2 (CAMPAIGN DISCLOSURE: FAILURE TO PROPERLY DISCLOSE UP TO APPROXIMATELY
3 \$4,076,750 IN CONTRIBUTIONS AND UP TO APPROXIMATELY \$296,880.29
4 IN EXPENDITURES ON ELECTRONIC AND PAPER CAMPAIGN STATEMENTS)

5 101. Plaintiff re-alleges, and incorporates herein, paragraphs one through one hundred, as
6 though set forth at length.

7 102. The Act requires candidates for elective statewide office being voted upon in a statewide
8 general election, and their controlled committees, to file two pre-election statements, disclosing
9 contributions received and expenditures made before the election. (Gov. Code § 84200.5.)

10 103. Pursuant to Government Code section 84215, subdivision (a), statewide elected officers,
11 candidates for statewide elected offices, and their controlled committees are required to file their
12 campaign statements with several filing officers, including the Secretary of State.

13 104. Pursuant to Government Code section 84605, subdivision (a), any candidate or
14 committee that is required to file campaign statements in connection with a state elective office, that
15 cumulatively receives contributions or makes expenditures totaling fifty thousand dollars (\$50,000) or
16 more, is required to file its campaign statements online or electronically with the Secretary of State,
17 beginning July 1, 2000, for every reporting period thereafter.

18 105. Pursuant to Government Code section 84211, subdivisions (c) and (i), each campaign
19 statement is required to contain information regarding the total amount of contributions received during
20 the period covered by the campaign statement from persons who have given a cumulative amount of one
21 hundred dollars (\$100) or more, and information regarding the total amount of expenditures made
22 during the period covered by the campaign statement to persons who have received one hundred dollars
23 (\$100) or more.

24 106. Government Code section 84211 further provides, at subdivision (f), that if the
25 cumulative amount of contributions received from a person is one hundred dollars (\$100) or more, and a
26 contribution has been received from that person during the period covered by the campaign statement,
27 the statement must disclose information regarding the contributor, including the date and amount of each

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1 contribution received from the contributor during the reporting period, and the cumulative amount of the
2 contributor's contributions.

3 107. Government Code section 84211 further provides, at subdivision (k), that for each
4 person to whom an expenditure of one hundred dollars (\$100) or more has been made during the period
5 covered by the campaign statement, the statement must disclose information regarding the payee,
6 including the amount of the expenditure, and a brief description of the consideration for which each
7 expenditure was made.

8 108. In implementing their plan to circumvent the contribution limits, Defendants misreported
9 contributions received for Defendant Bustamante's campaign for Governor as contributions to
10 Defendant Lieutenant Governor 2002 Committee instead of contributions to Defendant Yes on
11 Bustamante.

12 109. In so doing, Defendants filed campaign statements in connection with the October 7,
13 2003 election that over-reported contributions and expenditures, received and made, by Defendant
14 Lieutenant Governor 2002 Committee, and under-reported contributions and expenditures, received and
15 made, by Defendant Yes on Bustamante, in violation of Government Code section 84211,
16 subdivisions (c), (f), (i) and (k).

17 Under-Reporting of Contributions and Expenditures by Defendant Yes on Bustamante, in violation of
18 Government Code section 84211.

19 110. On Defendant Yes on Bustamante's first pre-election campaign statement, filed with the
20 Secretary of State, and electronically, on or about August 28, 2003, for the reporting period January 1
21 through August 23, 2003, and on the amendments to that statement, filed on or about September 25 and
22 26, 2003 and October 6 and 7, 2003, Defendants under-reported the contributions made to the
23 gubernatorial campaign, that were received by Defendants during the period covered by the statement.

24 111. Defendants failed to disclose on Defendant Yes on Bustamante's first pre-election
25 campaign statement, the contributions alleged in the First Cause of Action, at paragraphs forty-four
26 through forty-eight, totaling approximately \$302,950, that were made in support of Defendant
27 Bustamante's candidacy for Governor, and were received by Defendants during the reporting period
28 January 1 through August 23, 2003, in violation of Government Code 84211, subdivisions (c) and (f).

1 112. On Defendant Yes on Bustamante's second pre-election campaign statement, filed with
2 the Secretary of State, and electronically, on or about September 25, 2003, for the reporting period
3 August 24 through September 20, 2003, and on the amendments to that statement, filed on or about
4 October 3, 2003, October 6 and 7, 2003, and December 11, 2003, Defendants under-reported the
5 contributions made to, and the expenditures made for, the gubernatorial campaign, during the period
6 covered by the statement.

7 113. Defendants failed to disclose on Defendant Yes on Bustamante's second pre-election
8 campaign statement, the contributions alleged in the First Cause of Action, at paragraphs forty-nine
9 through eighty-seven, totaling approximately \$3,773,800, that were made in support of Defendant
10 Bustamante's candidacy for Governor, and were received by Defendants during the reporting period
11 August 24 through September 20, 2003, in violation of Government Code section 84211,
12 subdivisions (c) and (f).

13 114. Defendants failed to disclose on Defendant Yes on Bustamante's second pre-election
14 campaign statement, the expenditures alleged in the Second Cause of Action, at paragraphs ninety-two
15 through ninety-eight, totaling approximately \$296,880 that were made by Defendants for the
16 gubernatorial campaign, during the reporting period August 24 through September 20, 2003, in violation
17 of Government Code section 84211, subdivisions (i) and (k).

18 Over-Reporting of Contributions and Expenditures by Defendant Lieutenant Governor 2002 Committee,
19 in violation of Government Code section 84211.

20 115. On Defendant Lieutenant Governor 2002 Committee's first pre-election campaign
21 statement, filed with the Secretary of State, and electronically, on or about August 28, 2003, for the
22 reporting period July 1 through August 23, 2003, and on the amendments to that statement, filed on or
23 about September 25 and 26, 2003 and October 3, 2003, Defendants over-reported the contributions
24 made to Defendant Lieutenant Governor 2002 Committee, during the period covered by the statement.

25 116. Defendants improperly disclosed on Defendant Lieutenant Governor 2002 Committee's
26 first pre-election campaign statement, the contributions alleged in the First Cause of Action, at
27 paragraphs forty-four through forty-eight, totaling approximately \$302,950, that were made in support
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1 of Defendant Bustamante's candidacy for Governor, in violation of Government Code 84211,
2 subdivisions (c) and (f).

3 117. On Defendant Lieutenant Governor 2002 Committee's second pre-election campaign
4 statement, filed with the Secretary of State, and electronically, on or about September 25, 2003, for the
5 reporting period August 24 through September 20, 2003, and on the amendments to that statement, filed
6 on or about October 3, 2003 and December 11, 2003, Defendants over-reported the contributions and
7 expenditures, received and made, by the Defendant Lieutenant Governor 2002 Committee, during the
8 period covered by the statement.

9 118. Defendants improperly disclosed on Defendant Lieutenant Governor 2002 Committee's
10 second pre-election campaign statement, the contributions alleged in the First Cause of Action, at
11 paragraphs forty-nine through eighty-seven, totaling approximately \$3,773,800, that were made in
12 support of Defendant Bustamante's candidacy for Governor, in violation of Government Code section
13 84211, subdivisions (c) and (f).

14 119. Defendants improperly disclosed on Defendant Lieutenant Governor 2002 Committee's
15 second pre-election campaign statement, the expenditures alleged in the Second Cause of Action, at
16 paragraphs ninety-two through ninety-eight, totaling \$296,880, that were made by Defendants for
17 Defendant Bustamante's gubernatorial campaign, during the reporting period August 24 through
18 September 20, 2003, in violation of Government Code section 84211, subdivisions (i) and (k).

19 120. By intentionally or negligently failing to disclose, or to properly disclose, approximately
20 \$4,076,750 in contributions that were made in support of Defendant Bustamante's candidacy for
21 Governor, and were received by Defendants during the reporting periods covered by the pre-election
22 campaign statements, Defendants violated Government Code section 84211, subdivisions (c) and (f).
23 By intentionally or negligently failing to disclose, or to properly disclose, approximately \$296,880 in
24 expenditures that were made for Defendant Bustamante's gubernatorial campaign, during the reporting
25 periods covered by the pre-election campaign statements, Defendants violated Government Code section
26 84211, subdivisions (i) and (k).

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1 **FOURTH CAUSE OF ACTION**

2 (FOURTEEN VIOLATIONS--ACCEPTING CONTRIBUTIONS

3 FROM PERSONS, IN EXCESS OF THE LIMITS)

4 121. Plaintiff re-alleges, and incorporates herein, paragraphs one through one hundred twenty,
5 as though set forth at length.

6 122. Pursuant to Government Code section 85301, subdivision (c), as implemented by title 2,
7 California Code of Regulations, section 18545, subdivision (a)(3), a candidate for Governor for an
8 election occurring during the period January 1, 2003 through December 31, 2004, may not accept from
9 any person, as defined in Government Code section 82047, other than a small contributor committee or
10 political party committee, any contribution that either individually, or in aggregation with other
11 contributions from the same person, total more than twenty-one thousand two hundred dollars (\$21,200)
12 per election.

13 123. For the purpose of contribution limits, Government Code section 85311, subdivision (d)
14 provides that contributions to state candidates made by an entity that is majority owned by any person
15 shall be aggregated with the contributions of the person who is the majority owner.

16 124. As a consequence of executing their plan to circumvent the contribution limits,
17 Defendants were able to obtain a substantial amount of money from a small number of persons in a
18 relatively short period of time.

19 Accepting Contributions from Persons, in Excess of the Limits for a Candidate for Governor, in
20 violation of Government Code section 85301, subdivision (c).

21 125. On or about August 22, 2003, Defendants received a twenty-one thousand two hundred
22 dollar (\$21,200) contribution from the Sycuan Band of the Kumeyaay Nation that was made to support
23 Defendant Bustamante's candidacy for Governor, and subsequently deposited that contribution into the
24 campaign bank account of Defendant Yes on Bustamante.

25 126. As alleged in the First Cause of Action, at paragraph forty-eight, on or about August 23,
26 2003, Defendants accepted a three hundred thousand dollar (\$300,000) contribution from the Sycuan
27 Band of the Kumeyaay Nation that was made to support Defendant Bustamante's candidacy for
28 Governor. In accepting from a person a \$300,000 contribution that was on its face, and in the aggregate,

1 in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code
2 section 85301, subdivision (c).

3 127. As alleged in the First Cause of Action, at paragraph fifty-one, on or about August 28,
4 2003, Defendants accepted a two hundred thousand dollar (\$200,000) contribution from the American
5 Federation of State, County and Municipal Employees that was made to support Defendant
6 Bustamante's candidacy for Governor. In accepting from a person a \$200,000 contribution that was on
7 its face, and in the aggregate, in excess of the limits for a candidate for Governor, Defendant Bustamante
8 violated Government Code section 85301, subdivision (c).

9 128. As alleged in the First Cause of Action, at paragraph fifty-three, on or about August 29,
10 2003, Defendants accepted a five hundred thousand dollar (\$500,000) contribution from the Pechanga
11 Band of Mission Indians that was made to support Defendant Bustamante's candidacy for Governor. In
12 accepting from a person a \$500,000 contribution that was on its face, and in the aggregate, in excess of
13 the limits for a candidate for Governor, Defendant Bustamante violated Government Code section
14 85301, subdivision (c).

15 129. On or about September 3, 2003, Defendants received a twenty-one thousand two hundred
16 dollar (\$21,200) contribution from the Viejas Tribal Government that was made to support Defendant
17 Bustamante's candidacy for Governor, and subsequently deposited that contribution into the campaign
18 bank account of Defendant Yes on Bustamante.

19 130. As alleged in the First Cause of Action, at paragraph sixty-six, on or about September 3,
20 2003, Defendants accepted a one million five hundred thousand dollar (\$1,500,000) contribution from
21 the Viejas Tribal Government that was made to support Defendant Bustamante's candidacy for
22 Governor. In accepting from a person a \$1,500,000 contribution that was on its face, and in the
23 aggregate, in excess of the limits for a candidate for Governor, Defendant Bustamante violated
24 Government Code section 85301, subdivision (c).

25 131. On or about August 22, 2003, Defendants received a twenty-one thousand two hundred
26 dollar (\$21,200) contribution from the Southwest Regional Council of Carpenters that was made to
27 support Defendant Bustamante's candidacy for Governor, and subsequently deposited that contribution
28 into the campaign bank account of Defendant Yes on Bustamante.

1 132. As alleged in the First Cause of Action, at paragraph sixty-seven, on or about September
2 5, 2003, Defendants accepted a one hundred thousand dollar (\$100,000) contribution from the
3 Southwest Regional Council of Carpenters that was made to support Defendant Bustamante's candidacy
4 for Governor. In accepting from a person a \$100,000 contribution that was on its face, and in the
5 aggregate, in excess of the limits for a candidate for Governor, Defendant Bustamante violated
6 Government Code section 85301, subdivision (c).

7 133. On or about August 29, 2003, Defendants received a twenty-one thousand two hundred
8 dollar (\$21,200) contribution from the Professional Engineers in California Government that was made
9 to support Defendant Bustamante's candidacy for Governor, and subsequently deposited that
10 contribution into the campaign bank account of Defendant Yes on Bustamante.

11 134. As alleged in the First Cause of Action, at paragraph sixty-nine, on or about September 3,
12 2003, Defendants accepted a five hundred thousand dollar (\$500,000) contribution from the Professional
13 Engineers in California Government that was made to support Defendant Bustamante's candidacy for
14 Governor. In accepting from a person a \$500,000 contribution that was on its face, and in the aggregate,
15 in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code
16 section 85301, subdivision (c).

17 135. As alleged in the First Cause of Action, at paragraph seventy, on or about September 3,
18 2003, Defendants accepted a two hundred thousand dollar (\$200,000) contribution from the Professional
19 Engineers in California Government that was made to support Defendant Bustamante's candidacy for
20 Governor. In accepting from a person a \$200,000 contribution that was on its face, and in the aggregate,
21 in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code
22 section 85301, subdivision (c).

23 136. As alleged in the First Cause of Action, at paragraph seventy-one, on or about September
24 3, 2003, Defendants accepted a three hundred thousand dollar (\$300,000) contribution from the Sycuan
25 Band of the Kumeyaay Nation that was made to support Defendant Bustamante's candidacy for
26 Governor. In accepting from a person a \$300,000 contribution that was on its face, and in the aggregate,
27 in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code
28 section 85301, subdivision (c).

1 137. As alleged in the First Cause of Action, at paragraph seventy-two, on or about September
2 5, 2003, Defendants accepted a thirty thousand dollar (\$30,000) contribution from the Smart Solutions,
3 Inc. that was made to support Defendant Bustamante's candidacy for Governor. In accepting from a
4 person a \$30,000 contribution that was on its face, and in the aggregate, in excess of the limits for a
5 candidate for Governor, Defendant Bustamante violated Government Code section 85301,
6 subdivision (c).

7 138. As alleged in the First Cause of Action, at paragraph seventy-three, on or about
8 September 5, 2003, Defendants accepted a thirty thousand dollar (\$30,000) contribution from Manny M.
9 Aragon, Attorney at Law, that was made to support Defendant Bustamante's candidacy for Governor.
10 In accepting from a person a \$30,000 contribution that was on its face, and in the aggregate, in excess of
11 the limits for a candidate for Governor, Defendant Bustamante violated Government Code section
12 85301, subdivision (c).

13 139. As alleged in the First Cause of Action, at paragraph seventy-six, on or about September
14 5, 2003, Defendants accepted a thirty thousand dollar (\$30,000) contribution from the Parra & Gagnon
15 Consulting that was made to support Defendant Bustamante's candidacy for Governor. In accepting
16 from a person a \$30,000 contribution that was on its face, and in the aggregate, in excess of the limits
17 for a candidate for Governor, Defendant Bustamante violated Government Code section 85301,
18 subdivision (c).

19 140. On or about August 22, 2003, Defendants received two contributions, totaling twenty-one
20 thousand two hundred (\$21,200), from the Klein Financial Corporation that were made to support
21 Defendant Bustamante's candidacy for Governor, and subsequently deposited those contributions into
22 the campaign bank account of Defendant Yes on Bustamante.

23 141. As alleged in the First Cause of Action, at paragraph eighty-five, on or about September
24 15, 2003, Defendants accepted a twenty thousand dollar (\$20,000) contribution from Robert N. Klein II,
25 a majority owner of the Klein Financial Corporation, that was made to support Defendant Bustamante's
26 candidacy for Governor. In accepting from a person a \$20,000 contribution that was, in the aggregate,
27 in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code
28 section 85301, subdivision (c).

142. As alleged in the First Cause of Action, at paragraph eighty-six, on or about September 15, 2003, Defendants accepted a one thousand two hundred dollar (\$1,200) contribution from Robert N. Klein II, a majority owner of the Klein Financial Corporation, that was made to support Defendant Bustamante's candidacy for Governor. In accepting from a person a \$1,200 contribution that was, in the aggregate, in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code section 85301, subdivision (c).

143. On or about September 12, 2003, Defendants received a twenty thousand dollar (\$20,000) contribution from the Gonzales Construction Company that was made to support Defendant Bustamante's candidacy for Governor, and subsequently deposited that contribution into the campaign bank account of Defendant Yes on Bustamante.

144. As alleged in the First Cause of Action, at paragraph eighty-seven, on or about September 17, 2003, Defendants accepted a five thousand dollar (\$5,000) contribution from the Gonzales Construction Company that was made to support Defendant Bustamante's candidacy for Governor, bringing the aggregate total of contributions accepted from the Gonzales Construction Company to twenty-five thousand dollars (\$25,000). In accepting from a person contributions that were, in the aggregate, in excess of the limits for a candidate for Governor, Defendant Bustamante violated Government Code section 85301, subdivision (c).

145. By intentionally or negligently accepting from persons contributions that were made in support of his candidacy for Governor, and that were in excess of the limits for a candidate for Governor, Defendant Bustamante committed fourteen violations of Government Code section 85301, subdivision (c).

FIFTH CAUSE OF ACTION

(TWO VIOLATIONS--ACCEPTING CONTRIBUTIONS)

FROM SMALL CONTRIBUTOR COMMITTEES, IN EXCESS OF THE LIMITS)

146. Plaintiff re-alleges, and incorporates herein, paragraphs one through one hundred forty-five, as though set forth at length.

147. Pursuant to Government Code section 85302, subdivision (c), as implemented by title 2, California Code of Regulations, section 18545, subdivision (a)(3), a candidate for Governor for an

1 election occurring during the period January 1, 2003 through December 31, 2004, may not accept from
2 any small contributor committee, as defined in Government Code section 85203, any contribution that
3 either individually, or in aggregation with other contributions from the same small contributor
4 committee, total more than twenty-one thousand two hundred dollars (\$21,200) per election.

5 148. As a consequence of executing their plan to circumvent the contribution limits,
6 Defendants were able to obtain a substantial amount of money from a small number of small contributor
7 committees, in a relatively short period of time.

8 Accepting Contributions from Small Contributor Committees, in Excess of the Limits for a Candidate
9 for Governor, in violation of Government Code section 85302, subdivision (c).

10 149. On or about August 19, 2003, Defendants received a twenty-one thousand two hundred
11 dollar (\$21,200) contribution from the Northern California Carpenters Regional Council Small
12 Contributor Committee that was made to support Defendant Bustamante's candidacy for Governor, and
13 subsequently deposited that contribution into the campaign bank account of Defendant Yes on
14 Bustamante.

15 150. As alleged in the First Cause of Action, at paragraph fifty, on or about August 27, 2003,
16 Defendants accepted a one hundred thousand dollar (\$100,000) contribution from the Northern
17 California Carpenters Regional Council Small Contributor Committee that was made to support
18 Defendant Bustamante's candidacy for Governor. In accepting from a small contributor committee a
19 \$100,000 contribution that was on its face, and in the aggregate, in excess of the limits for a candidate
20 for Governor, Defendant Bustamante violated Government Code section 85302, subdivision (c).

21 151. On or about September 9, 2003, Defendants received a twenty-one thousand two hundred
22 dollar (\$21,200) contribution from the California State Council of Laborers PAC Small Contributor
23 Committee that was made to support Defendant Bustamante's candidacy for Governor, and
24 subsequently deposited that contribution into the campaign bank account of Defendant Yes on
25 Bustamante.

26 152. As alleged in the First Cause of Action, at paragraph eighty-four, on or about September
27 9, 2003, Defendants accepted an eighty thousand dollar (\$80,000) contribution from the California State
28 Council of Laborers PAC Small Contributor Committee that was made to support Defendant

1 Bustamante's candidacy for Governor. In accepting from a small contributor committee an \$80,000
2 contribution that was on its face, and in the aggregate, in excess of the limits for a candidate for
3 Governor, Defendant Bustamante violated Government Code section 85302, subdivision (c).

4 153. By intentionally or negligently accepting from small contributor committees
5 contributions that were made in support of his candidacy for Governor, and that were in excess of the
6 limits for a candidate for Governor, Defendant Bustamante committed two violations of Government
7 Code section 85302, subdivision (c).

8 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

9 1. With respect to causes of action one and two, for statutory penalties against Defendants
10 Cruz M. Bustamante, Lieutenant Governor Bustamante 2002 Committee, and Yes on Bustamante,
11 jointly and severally, payable to the "General Fund of the State of California," according to proof, in an
12 amount up to five thousand dollars (\$5,000) per violation, as permitted by Government Code
13 section 91005.5.

14 2. With respect to cause of action three, for statutory penalties against Defendants Cruz M.
15 Bustamante, Lieutenant Governor Bustamante 2002 Committee, and Yes on Bustamante, jointly and
16 severally, payable to the "General Fund of the State of California," according to proof, in an amount up
17 to the amount not properly reported, as permitted by Government Code section 91004.

18 3. With respect to causes of action four and five, for statutory penalties against Defendant
19 Cruz M. Bustamante, payable to the "General Fund of the State of California," according to proof, in an
20 amount up to five thousand dollars (\$5,000) per violation, as permitted by Government Code
21 section 91005.5.

22 4. For such other and further relief as the Court may deem proper.
23

24 Dated: January 7, 2004

FAIR POLITICAL PRACTICES COMMISSION

25
26 By: _____
27 Deanne Canar
28 Attorney for Plaintiff
Fair Political Practices Commission